

Message Text

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SUBJ: SHOW REPORT - MACHINE TOOL VTR/CATALOG SHOW, LIMA
MAY 31-JUNE 2, 1978

1. TOTAL ATTENDANCE DURING THREE DAY EXHIBITION IN LIMA WAS 218 PERSONS. WE DID NOT COUNT GENERAL PUBLIC AND STUDENTS WHO WERE NOT SERIOUS POTENTIAL BUYERS OR AGENT/DISTRIBUTORS. QUITE A FEW VISITORS RETURNED ON SUBSEQUENT DAYS TO VIEW AGAIN THE VIDEOTAPES OF SPECIAL INTEREST TO THEM. ALL VISITORS, WITH THE EXCEPTION OF NINE, WERE FROM LIMA BUT THOSE WHO DID COME FROM THE PROVINCES TRAVELLED LONG DISTANCES JUST TO ATTEND SHOW. OF TOTAL ATTENDANCE, 14 WERE MACHINE-TOOL MANUFACTURERS; 82 MACHINE-TOOL END-USERS; 26 AGENT/DISTRIBUTORS; AND 9 GOVERNMENT OFFICIALS.

2. IN SUMMARY FORM, A LIST FOLLOWS OF THE PARTICIPATING COMPANIES AND THE NUMBER OF REQUESTS FOR MORE INFORMATION FROM EACH: ARVEY 10; BRIDGEPORT 48; BULLARD 33; CONE BLANCHARD 21; DOALL INTL 54; FEDERAL 40; GOSS AND DELEEUW 46; HARDINGE BROS. 33; HOBART BROS. 57; KINGSBURY 23; KYSOR 23; MINSTER 26; MOREY 41; PRD 25;
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S.B. WHISTLER 33; VERNON ALLSTEEL 30; VULCAN TOOL 24; W.A. WHITNEY 33; WATERBURY FARREL 13. THIRTY-FOUR (34) VISITORS INDICATED INTEREST IN REPRESENTING ONE OR MORE OF THE US COMPANIES THAT DON'T ALREADY HAVE LOCAL REPRESENTATION. ELEVEN (11) COMPANIES SHOWED INTEREST IN EXPLORING A LICENSING ARRANGEMENT WITH PACIFIC ROLLER DIE AND WILL BE WRITING DIRECTLY TO THE FIRM.

3. EVERYTHING CONNECTED WITH EXHIBITION WENT SMOOTHLY AND MADE FAVORABLE IMPRESSION ON PERUVIAN INDUSTRIAL SECTOR. WE RECEIVED FULL-SUPPORT FROM THE SOCIEDAD DE INDUSTRIAS (ASSOCIATION OF ALL PRIVATE SECTOR MANUFACTURERS) IN WHOSE HEADQUARTERS THE SHOW WAS HELD. SOCIEDAD PRESIDENT JUAN ANTONIO AGUIRRE ROCA HOSTED INAUGURAL COCKTAIL WHICH WAS ATTENDED BY SOME 250 PERUVIAN BUSINESS LEADERS. CLOSING RECEPTION-BUFFET WAS HOSTED BY AMBASSADOR SHLAUDEMAN AT THE RESIDENCE AND ATTRACTED SELECT GROUP OF PRIVATE SECTOR REPRESENTATIVES AND GOP OFFICIALS INCLUDING SECRETARY OF COMMERCE JORGE LICETTI.

4. USICA SUPPORT WAS EXCELLENT. THEY PROVIDED EQUIPMENT AND PERSONNEL TO SHOW VIDEOTAPES, PLACED ARTICLES IN LOCAL PRESS, AND HELPED DESIGN AND PRINT CATALOG. PRESS CONFERENCE FEATURING INDUSTRY REPRESENTATIVE JESSE MAFFUID WAS CARRIED ON TV AND RADIO. ARTICLES ALSO APPEARED IN MEDIA OF MAJOR PROVINCIAL CITIES INCLUDING AREQUIPA, TRUJILLO AND CHICLAYO. FEATURE STORIES IN MAGAZINES AND NEWSLETTERS OF TRADE CHAMBERS AND ASSOCIATIONS HAD DESIRED MULTIPLIER EFFECT.

5. MAFFUID, ACCOMPANIED BY COMMERCIAL ATTACHE, PAID CALLS ON MAJOR END-USERS OF MACHINE TOOLS INCLUDING GENERAL MANAGERS OF INDUSTRIAS DEL PERU (INDUPERU) AND INDUSTRIAS MILITARES DEL PERU (INDUMIL). ROUNDTABLE WAS HELD WITH KEY PERSONNEL OF GOVERNMENT FINANCE CORPORATION COFIDE ON HUGE METALWORKING COMPLEX PROJECTED FOR SOUTHERN PERU.
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6. AFTER REVIEWING CATALOG PRINTED BY USTC MEXICO CITY, WE DECIDED THAT IT WOULD BE TOO CONFUSING TO PERUVIAN AUDIENCE BECAUSE OF EXTEMPORANEOUS MATERIAL AND UNEXPECTED CHANGE IN THEME AND LOGO. WE THEREFORE EDITED AND PRINTED OUR OWN VERSION GEARED TO LOCAL MARKET, COPIES OF WHICH HAVE BEEN POUCHED TO BREWER AND GAYNOR.

7. ONE DISAPPOINTMENT WAS LACK OF SUPPORT BY PERUVIAN REPRESENTATIVES OF PARTICIPATING U.S. FIRMS. WHILE LOCAL REPS CAME TO MEETING AND PROMISED TO ASSIST EMBASSY IN ITS EFFORTS (LIMA 3875) WITH ONE NOTABLE EXCEPTION THEY FAILED TO FOLLOW THROUGH. AGAIN WITH A SINGLE EXCEPTION THEY DID NOT EVEN TAKE THE TIME TO BE PRESENT AT THE EXHIBITION SITE TO PROMOTE THEIR PRODUCTS WITH POTENTIAL CUSTOMERS. THIS SHOULD BE BROUGHT TO THE ATTENTION OF US FIRMS WHO MAY WISH TO REASSESS THEIR RELATIONSHIP WITH THEIR PERUVIAN REPRESENTATIVES. THE ONE EXCEPTION WAS INTERTEC PERU (BENJAMIN CAMPOS) WHO WAS PRESENT THROUGHOUT THE SHOW AND HELPED IN EVERY WAY POSSIBLE.

8. AS FAR AS WE ARE AWARE, NO DIRECT SALES WERE MADE AS A RESULT OF THIS COMMERCIAL EVENT. IN LIGHT OF THE GENERAL ECONOMIC

SITUATION AND SEVERE SHORTAGE OF FOREIGN EXCHANGE, IMMEDIATE RESULTS WERE NOT, IN FACT, EXPECTED. ON THE OTHER HAND, MEDIUM AND LONG-RANGE PROSPECTS HAVE BEEN VERY MUCH ENHANCED AS A RESULT OF THIS SHOW. ALL COMMENTS BY VISITORS WERE FAVORABLE, MANY HOURS WERE SPENT VIEWING TAPES, AND LENGTHY DISCUSSIONS WERE HELD WITH INDUSTRY REP. A POSITIVE IMAGE OF THE US MACHINE TOOL INDUSTRY AND MUCH GOOD WILL RESULTED FROM THE SHOW. PERUVIANS APPRECIATED THE FACT THAT NATIONAL MACHINE TOOL BUILDERS ASSOCIATION MEMBERS WERE WILLING TO MOUNT AN EXHIBIT IN PERU AT THIS DIFFICULT MOMENT. IT WAS A PSYCHOLOGICAL BOOST FOR THE PERUVIAN PRIVATE SECTOR AND SHOULD PAY OFF NICELY IN THE FUTURE IF THE US FIRMS DO NOT FAIL TO PROVIDE ADEQUATE FOLLOW-UP IN THE MONTHS AHEAD.

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9. A MAJOR PROBLEM IN PURCHASING US CAPITAL GOODS CAME UP TIME AND TIME AGAIN DURING THE EXHIBITION, NAMELY FINANCING. THE INABILITY OF PERUVIAN BUYERS TO OBTAIN EXIMBANK OR SUPPLIERS' CREDIT IS OUR BIGGEST HANDICAP. ARGENTINA AND BRAZIL HAVE BEEN INCREASING THEIR MARKET SHARE SIGNIFICANTLY IN RECENT YEARS THROUGH USE OF LIBERAL CREDIT LINES. PERUVIANS HAVE A BUILT-IN PREFERENCE FOR AMERICAN MACHINE TOOLS BUT THIS DOES NOT ELIMINATE THE NEED TO BE COMPETITIVE IN PRICE AND FINANCING.

10. JESSE MAFFUID WAS VERY PLEASED WITH THE WAY THE EXHIBITION IN LIMA WAS ORGANIZED AND THE WARM RESPONSE OF THE PERUVIANS. HE RECOMMENDED THAT USDOC CONSIDER REPEATING THE SHOW, WITHOUT INDUSTRY REP, IN THE NORTHERN CITY OF TRUJILLO, WHERE A METALWORKING COMPLEX IS LOCATED. IN SUM, WE CONSIDER THE MACHINE TOOL USA VTR/CATALOG EXHIBITION IN PERU AN UNQUALIFIED SUCCESS. WE RECOMMEND USE OF THIS NEW EXPORT PROMOTION METHOD WITH OTHER INDUSTRIES AND PRODUCTS IN THE FUTURE.
SHLAUDEMAN

NOTE BY OC/T: MESSAGE DELAYED IN TRANSMISSION.

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